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13 May 1966

5-1413

MEMORANDUM FOR: [REDACTED]

25X1

THROUGH:

Chief, International Division  
Chief, Economic Research Area

SUBJECT:

Rice Production in the Mekong Delta  
(S-1913)

Attached is a short paper on the referenced subject, as requested by [REDACTED] your office. It is our understanding that information on rice production in the Mekong delta in comparison to "normal times" was requested by [REDACTED]. If ORR can be of additional assistance on this or other requests for economic information on South Vietnam, please advise us.

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[REDACTED]  
Chief, Asia Branch

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ORR/I/A: [REDACTED] (13 May 1966)

Distribution: (S-1913)

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# Rice Production in the Mekong Delta

1. Paddy\* production in the Mekong delta has remained at a high, but relatively constant, level of production since 1961. It reached a record high of over 4.3 million metric tons in 1963/64 -- a gain of 70 percent over the mid-1950's level of 2.5 million metric tons. Ninety-seven percent of delta production comes from single-cropped areas which are dependent on summer rainfall and, to a lesser extent, the annual Mekong flood. These climatic factors affect both the extent of the cultivated area and the yield.

Table 1

Paddy Rice Production in the Mekong Delta 1/

|                                    | <u>1961/62</u> | <u>1962/63</u> | <u>1963/64</u> | <u>1964/65</u> | <u>1965/66</u><br>(est.) |
|------------------------------------|----------------|----------------|----------------|----------------|--------------------------|
| Production<br>('000 metric tons)   | 3750           | 4296           | 4364           | 4205           | 3972                     |
| Cultivated Area<br>('000 hectares) | 1823           | 1925           | 1965           | 1959           | 1877                     |
| Yield per hectare<br>(metric tons) | 2.06           | 2.25           | 2.22           | 2.15           | 2.12                     |

1/ Includes III and IV Corps areas.

2. The weather, rather than the level of insurgency, has been the predominant influence on the size of the rice crop. Variations in production between 1961 and 1966 have been relatively small and largely reflect variations in the weather. The current rice crop

\* After milling, paddy yields about 60 percent rice.

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(1965/66) shows that cultivated area decreased by 4.2 percent and yield decreased by 1.4 percent in the delta. These relatively small variations were probably caused by the lateness of last summer's rains and a lower level of flooding on the Mekong.

3. There is no satisfactory basis on which to compare present production in the delta to "normal times." If the insurgency were ended, it is estimated that cultivable areas that are currently denied could be expanded and that yields could improve substantially with capital investment. The possibility of a four-fold increase has been suggested through the use of land-leveling techniques, fertilizers, pesticides, improved seeds and other relatively inexpensive investments.

4. Although rice production in the delta has not been materially affected by the insurgency, deliveries to Saigon have declined markedly.

Table 2

Delta Deliveries <sup>1/</sup> to Saigon  
(thousand metric tons)

|      |                        |
|------|------------------------|
| 1961 | 554                    |
| 1962 | 530                    |
| 1963 | 727                    |
| 1964 | 505                    |
| 1965 | 422                    |
| 1966 | 260 (Mission estimate) |

<sup>1/</sup> in terms of rice.

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The decline in rice deliveries to Saigon since 1963 appear to be directly related to the insurgency. A number of explanations have been offered and probably all of them have some merit. First, exports of delta rice to Cambodia have become exceedingly profitable because of the higher price of rice in Cambodia. Second, the Viet Cong probably collect relatively large amounts for supply and stockpile in the delta and for shipment to the rice-deficit areas of northern III Corps. Third, there has been recent evidence that the safety and profitability of lighterage in Saigon harbor has reduced the availability of transport for delta rice shipments.

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